

SERFF Tracking Number: STAT-125721913 State: Arkansas
Filing Company: State Auto Property and Casualty Insurance Company State Tracking Number: EFT \$25
Company Tracking Number: PC-PX-2008-262
TOI: 17.2 Other Liability - Occurrence Only Sub-TOI: 17.2021 Personal Umbrella & Excess
Product Name: Arkansas Umbrella
Project Name/Number: Rules eff 12-30-08/PC-PX-2008-262

Filing at a Glance

Company: State Auto Property and Casualty Insurance Company

Product Name: Arkansas Umbrella SERFF Tr Num: STAT-125721913 State: Arkansas
TOI: 17.2 Other Liability - Occurrence Only SERFF Status: Closed State Tr Num: EFT \$25
Sub-TOI: 17.2021 Personal Umbrella & Excess Co Tr Num: PC-PX-2008-262 State Status: Fees verified and received
Filing Type: Rule Co Status: Reviewer(s): Becky Harrington, Betty Montesi
Authors: Doug Griffith, Amanda Scott Disposition Date: 08/04/2008
Date Submitted: 07/09/2008 Disposition Status: Filed
Effective Date Requested (New): 12/30/2008 Effective Date (New):
Effective Date Requested (Renewal): 12/30/2008 Effective Date (Renewal):
State Filing Description:

General Information

Project Name: Rules eff 12-30-08 Status of Filing in Domicile:
Project Number: PC-PX-2008-262 Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 08/04/2008 Deemer Date:
State Status Changed: 07/09/2008
Corresponding Filing Tracking Number:
Filing Description:
With this filing we are revising our Personal Umbrella program, as detailed in the Summary of Proposed Changes.

A copy of the revised manual pages is attached.

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Company and Contact

Filing Contact Information

Doug Griffith, Supervisor, State Filings doug.griffith@stateauto.com
 518 E. Broad Street (614) 917-5492 [Phone]
 Columbus, OH 43215 (614) 887-1615[FAX]

Filing Company Information

State Auto Property and Casualty Insurance CoCode: 25127 State of Domicile: Iowa
 Company
 1300 Woodland Ave Group Code: 175 Company Type: Property and
 Casualty
 PO Box 66150
 West Des Moines, IA 50265-0150 Group Name: State ID Number:
 (614) 464-5000 ext. [Phone] FEIN Number: 57-6010814

Filing Fees

Fee Required? Yes
 Fee Amount: \$25.00
 Retaliatory? No
 Fee Explanation:
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
State Auto Property and Casualty Insurance Company	\$25.00	07/09/2008	21309970

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	08/04/2008	08/04/2008
Filed	Becky Harrington	07/09/2008	07/09/2008

Amendments

Item	Schedule	Created By	Created On	Date Submitted
Revised Manual	Rate	Amanda Scott	08/04/2008	08/04/2008
Revised Manual	Rate	Amanda Scott	08/04/2008	08/04/2008

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Manual Pages	Note To Filer	Becky Harrington	08/04/2008	08/04/2008
Manual Revision	Note To Reviewer	Amanda Scott	07/30/2008	07/30/2008

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty		Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	Summary of Proposed Changes	Filed	Yes
Rate (revised)	Revised Manual	Filed	Yes
Rate	Revised Manual		Yes
Rate	Revised Manual		Yes

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Amendment Letter

Amendment Date:
Submitted Date: 08/04/2008

Comments:

Per your note to filer I have attached the corrected manual pages.

Changed Items:

Rate/Rule Schedule Item Changes:

Exhibit Name:	Rule # or Page #:	Rate Action:	Previous State Filing Numbers:	Attach Document:
Revised Manual	Entire Manual	Replacement		AR PX Manual eff 12-30-08 revised pay plan.pdf

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Note To Filer

Created By:

Becky Harrington on 08/04/2008 01:29 PM

Subject:

Manual Pages

Comments:

The inland marine pages were attached in place of umbrella pages. Please correct.

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Amendment Letter

Amendment Date:
 Submitted Date: 08/04/2008

Comments:

Per our note to reviewer we have revised our payment plan section to remove the wording that a customer can pay a down payment with their credit card. We have also expanded our payment options section to include all available payment options.

Changed Items:

Rate/Rule Schedule Item Changes:

Exhibit Name:	Rule # or Page #:	Rate Action:	Previous State Filing Numbers:	Attach Document:
Revised Manual	Entire Manual	Replacement		AR PIM Manual eff 12-30-08 revised pages with pay plan change.pdf

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Note To Reviewer

Created By:

Amanda Scott on 07/30/2008 01:16 PM

Subject:

Manual Revision

Comments:

It has come to our attention that there is an error to our revised payment plan pages. Can this filing be reopened to correct the manual error?

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Rate Information

Rate data does NOT apply to filing.

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Revised Manual	Entire Manual	Replacement	AR PX Manual eff 12-30-08 revised pay plan.pdf

**ARKANSAS
PERSONAL UMBRELLA
PROGRAM**

**ARKANSAS
PERSONAL UMBRELLA LIABILITY MANUAL**

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ARKANSAS PERSONAL UMBRELLA LIABILITY MANUAL

I. GENERAL RULES

A. POLICY

Personal Umbrella coverage may only be written on a separate Personal Umbrella policy.

B. APPLICATION

A current ACORD application must be completed and submitted to the company for each new business submission.

C. POLICY PERIOD

The policy period for all Personal Umbrella policies is a one - year renewable term.

D. PAYMENT OPTION

Twelve Month Policy Term			
Pay Plan Options	E-Pay Available	Service Charge	Billing Due Dates
Full Pay	Yes	N/A	Full payment due at inception of policy term.
Two Pay	Yes	N/A	50% due at inception with remaining due in 6 months
Four Pay	Yes	\$4 N/A- EFT	25% due at inception with remaining billed in 25% installments each 90 days
Monthly	Yes	\$4 N/A- EFT	1/12 th due at inception with remaining billed in installments every 30 days

1. Timing Considerations—The number of installments will be determined by the number of months remaining in the policy term at the time the policy is set up. At renewal, the payment cycle will convert to the valid pay plan that was selected.

2. D. Electronic Funds Transfer (“E-Pay”)

The insured has the option of choosing a date between the 1st and 28th of the month that they would like the deduction to take place on EFT billed policies. Using the effective date of the policy for the EFT effective date will ensure that the insured is current on installment payments. The insured will be notified by the company 14 days in advance of the initial amount of premium to be deducted, as well as any changes to that amount of one dollar (\$1.00) or more. This option is available for new and existing business. Once State Auto receives the enrollment form, the insured’s policy will be set up for the electronic funds transfer. This option is not available on premium financed, policies.

3. Customers Can Pay:

- 1) **By Check** – Customers can mail in a check with the invoice billing stub.
- 2) **EFT** – Customers can have an automatic deduction taken from their bank account. Refer to item D.
- 3) Payments can be made any time of the day or night, seven days a week, by **credit** or **debit card** ((Visa or Master Card), or **automated check** (ACH payment), using either of these options:
 - a) **Pay on the Web** at www.stateauto.com – After selecting the option to “Pay Your Policy” customers can make a one-time payment without enrolling in the system or they can enroll in our “Pay Now” program where personal and payment type information is stored to facilitate and expedite future payments.
 - b) **Pay By Phone** using our automated service – just call 1-800-444-9950, extension 5118.

F. Agent “Sweep” / Upload Payments – Agents can collect insured payments in their office, deposit in their bank account, and State Auto “Sweeps” the money out via electronic transaction.

- 1) **New Business** – Agencies may upload insured new business and down payments through AgentSite netXress.
- 2) **Installment Payments** – Agents can “Sweep” insureds installment payments received in their office via State Auto’s AgentSite.

Contact Agency Interface Services at 1-888-999-8103 for more information on “Sweeping”.

G. NSF Charge – A \$20 non-sufficient funds fee will be charged on all returned payments if returned for insufficient funds.

**ARKANSAS
PERSONAL UMBRELLA LIABILITY MANUAL**

I. GENERAL RULES (continued)

E. LIMITS OF LIABILITY

Personal Umbrella coverage may be provided with the following limits of liability:

\$1,000,000
\$2,000,000
\$3,000,000
\$4,000,000
\$5,000,000

F. POLICY CHANGES

Additional and return premium for policy changes occurring during the current policy term will be computed on a pro-rata basis. When a change is submitted for underlying policies, a change request should also be submitted for the Personal Umbrella policy.

G. POLICY CANCELLATION

If insurance is canceled or reduced at the request of either the insured or the insurer, the earned premium will be computed on a pro-rata basis.

H. MINIMUM RETAINED PREMIUM

In the event of cancellation, return premium amounts under \$1.00 will be retained by the company unless specifically requested by the insured.

I. BINDING AUTHORITY

1. A policy may be bound by the agent at the \$1,000,000 limit subject to the following:

- a. The signed application is received at State Auto within four business days of the requested effective date.
- b. No losses have occurred.

2. Do **not** bind without prior company approval:

- a. Any risk with an excluded driver or excluded liability exposure on any underlying policy.
- b. Risks with no licensed drivers and/or no vehicles.
- c. Risks with more than six rental units.
- d. Policy in the name of a trust.
- e. Risk with underlying insurance currently with another company.
- f. Risks with youthful exposures operating sports or high performance vehicles or recreational vehicles.
- g. Occupation of any insured is a professional politician; public lecturer; newspaper reporter, editor or publisher; labor leader; professional entertainer including athlete and radio or TV announcer; law enforcement official.
- h. Any person sued for libel or slander.
- i. Risk with watercraft with a maximum speed exceeding 45 mph and all personal watercraft.
- j. Any risk covering Uninsured/Underinsured Motorists Coverage at a limit above \$1,000,000.
- k. Driving record does not meet the eligibility requirements below.
- l. All personal watercraft.
- m. Bass boats with a maximum speed exceeding 70 MPH and all other watercraft with a maximum speed exceeding 55 MPH.

3. Limits above the \$1,000,000 limit may not be bound by the agent.

**ARKANSAS
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II. ELIGIBILITY

A. AUTOMOBILE LIABILITY

State Auto will consider writing Personal Umbrella Liability coverage when the State Auto Companies provide the primary liability insurance on all underlying policies. Risks eligible for our standard personal lines programs will normally be acceptable for Personal Umbrella liability coverage, but must meet the following driving record requirements:

- 1. Major Violations (past 5 years) –**
None Allowed.
- 2. Minor Violations (past 3 years) –**
Adults: Two Allowed
Drivers Age 21-24: One Allowed
Drivers Age 16-20: None Allowed
- 3. At-Fault Accidents (past 3 years) –**
Adults: One Allowed
Drivers Age 21-24: One Allowed
Drivers Age 16-20: None Allowed

Underlying Coverages

1. Underlying liability insurance must be written with the State Auto Companies at the minimum required limits for all automobiles and self-propelled recreational vehicles owned by, leased to, or furnished for the regular use of the named insured and all operators in the insured's household.
2. An Extended Non-Owned Coverage endorsement must be attached to the personal auto policy to cover each operator in the household who may operate a furnished vehicle in addition to one or more owned vehicles.
3. A Named Non-Owner policy must be written if the insureds do not own a car but have a car furnished for their regular use. Coverage must be provided for all operators in the household.
4. If the underlying insurance is subject to any restriction, limitation or exclusion for any operator in the household, such a restrictive endorsement must also be attached to the Personal Umbrella policy.
5. Excess Uninsured/Underinsured Motorists Coverage is only valid on existing policies currently containing UM/UIM coverage and with an original inception date of October 1, 1995 or before.

B. PERSONAL LIABILITY COVERAGE

Personal Liability coverage must be written with the State Auto Companies at the minimum required limits for all residences and locations owned by, leased to, or rented by the insured.

1. a. Business Exposures

Coverage under the Personal Umbrella for additional liability exposures such as incidental offices, home day care, business pursuits, and rental or farm property may be written if the underlying liability is considered acceptable based on Personal Lines Guidelines.

b. Home-Based Business

Extends coverage to Home-Based Business if provided under the primary policy. This is basically a following form coverage but provides drop - down for auto exposure.

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II. ELIGIBILITY (continued)

2. Loss Assessment Coverage

Loss Assessment is excluded under the basic umbrella contract. However, optional loss assessment for liability coverage can be secured by adding endorsement PX-55. This form provides excess loss assessment coverage above the required underlying limit of \$50,000.

Note: This endorsement provides excess loss assessment coverage to liability losses.

3. Assisted Living Care Liability Coverage

a. Description of Coverage

1. This endorsement provides excess personal liability coverage to a designated person other than the named insured or a resident relative who is:
 - a. Related to another insured by blood, marriage or adoption;
 - b. Not a member of the named insured's household; and
 - c. Regularly residing in a designated assisted living care facility
2. An assisted living care facility that provides living services such as dining, therapy, medical supervision, housekeeping and social activities.

b. Ineligible Facilities

The following facilities are ineligible:

- a. Hospices
- b. Prisons; and
- c. Rehabilitation Facilities

Use Personal Umbrella Liability Policy Assisted Care Liability Coverage Endorsement **DL 98 07**

C. WATERCRAFT LIABILITY

Coverage for all owned watercraft must be written on a State Auto pleasure boat or yacht policy, or endorsed on a State Auto homeowners policy. Minimum required underlying limits and rates depend on the horsepower, length and type of watercraft. Bass boats with a maximum speed exceeding 70 mph and all other watercraft with a maximum speed exceeding 55 mph require prior approval before binding. All personal watercraft (jet skis, wet bikes and waverunners, mini-jet boats, etc) require prior approval before binding. The premium on watercraft with a speed exceeding 45 mph will be double the standard rate.

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III. MINIMUM REQUIRED UNDERLYING LIABILITY LIMITS

AUTOMOBILE LIABILITY	\$300,000 Combined Single Limit or \$250,000/500,000 Bodily Injury and \$100,000 Property Damage
AUTOMOBILE LIABILITY – Inexperienced Operators New business or added drivers effective July, 2003	\$500,000 Combined Single Limit or \$500,000/500,000 Bodily Injury and \$100,000 Property Damage
UNINSURED/UNDERINSURED MOTORISTS (valid on existing business currently with UM coverage.)	Must be equal to the minimum underlying auto liability limits if excess UM/UIM coverage is requested.
PERSONAL LIABILITY	\$300,000 Combined Single Limit
LOSS ASSESSMENT COVERAGE	\$50,000 Combined Single Limit
BUSINESS PURSUITS	\$300,000 Combined Single Limit
HOME DAY CARE LIABILITY	\$500,000 Combined Single Limit
OFFICE OR BUSINESS PROPERTY LIABILITY	\$300,000 Combined Single Limit
EMPLOYERS LIABILITY	\$100,000 Bodily Injury each accident \$100,000 Bodily Injury by disease -- each employee \$500,000 Bodily Injury by disease -- policy aggregate
FARMOWNERS LIABILITY	\$300,000 Combined Single Limit
WATERCRAFT -	
• less than or equal to 350 horsepower	\$300,000 Combined Single Limit
• over 350 horsepower	\$500,000 Combined Single Limit
• personal watercraft	\$500,000 Combined Single Limit
PASSENGER HAZARD LIABILITY underlying (MOTOR VEHICLE)	Must be equal to the minimum auto liability limits if excess Passenger Hazard Liability coverage is provided

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IV. PERSONAL UMBRELLA LIABILITY RATES

TERRITORY 1: All Counties

VEHICLES

	<u>TERRITORY 1</u>	
	\$250/500 \$300 CSL	\$500/500 \$500 CSL
• Vehicles owned by, leased, to or furnished for the regular use of applicant, spouse and household relatives, including automobiles and self-propelled recreational vehicles, except antique and classic cars -- each vehicle.	\$58	\$35
• Antique and classic cars – each vehicle	\$25	25

OPERATORS

• Inexperienced principal operators -- each operator	\$55	\$50
• Inexperienced part-time operators -- each operator (Inexperienced operators are operators with less than 9 years licensed driving experience within the United States.)	\$45	\$40

PERSONAL LIABILITY	\$63	\$63
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BASIC CHARGE INCLUDES:

- All owner-occupied residences
- One incidental, owner-occupied office
- Sailboats and outboard watercraft under 26 feet **and** 75 horsepower or less
- Golf carts
- Recreational vehicles on premises only
- Up to four (4) family rental units

ADDITIONAL CHARGES:

-- If applicant is engaged in farming	\$14	\$14
-- Insured-owned farm or farm acreage operated by others	\$ 8	\$ 8
-- Each additional family rental unit -- not more than six (6) additional units	\$ 8	\$ 8
-- Home Day Care coverage	\$35	\$35
-- Each additional incidental office	\$ 8	\$ 8
-- Business Pursuits / Teachers' liability – corporal punishment - each	\$10	\$10
-- Home Based Business Exposure	\$81	\$81
-- Loss Assessment	\$11	\$11
-- Assisted Living Care Liability – Each designated person in assisted living facility	\$5	\$5

**ARKANSAS
PERSONAL UMBRELLA LIABILITY MANUAL**

IV. PERSONAL UMBRELLA LIABILITY RATES (CON'T.)

WATERCRAFT LIABILITY

TERRITORY 1	
\$250/500 \$300 CSL	\$500/500 \$300 CSL

- WATERCRAFT 0-350 HORSEPOWER – Sailboats and Outboard watercraft 26 feet and over in length or over 75 horsepower.

- All inboard and inboard/outdrive watercraft

0 - 50 horsepower*	\$27	\$27
51 - 100 horsepower	\$34	\$34
101 - 150 horsepower	\$40	\$40
151 - 200 horsepower	\$52	\$52
201 - 250 horsepower	\$56	\$56
251 - 300 horsepower	\$64	\$64
301 - 350 horsepower	\$75	\$75

* Does not apply to Outboards

- **Personal Watercraft – each watercraft**

\$74

- WATERCRAFT GREATER THAN 350 HORSEPOWER - All watercraft (excluding personal watercraft) – each watercraft

(Total Horsepower ÷ Total Length) x (Base Price) x Watercraft Territory Factors

Base Price

Sailboat	Underlying Liability Limits of \$500,000	\$4.00
	Underlying Liability Limits of \$1,000,000	\$2.75
Other than Sailboat	Underlying Liability Limits of \$500,000	\$6.75
	Underlying Liability Limits of \$1,000,000	\$5.50

<u>Territory</u>	<u>Description</u>	<u>Factors</u>
I	Waters of the Great Lakes	1.25
II	Inland Waters of the U.S. (excluding the Great Lakes, Ohio and Mississippi Rivers)	1.00
III	Atlantic and Gulf Coastal Waters (including the inland water tributaries) – within 12 statute miles of the coastline	1.50
IV	Ohio and Mississippi Rivers	1.25
V	Chesapeake Bay and its inland tributaries	1.50

Note: Please include all territories in which the watercraft is navigated. The declarations page must reflect the territory or territories in which the craft is operated. Also, when two or more navigational territories apply, the highest rated territory will be used for rating.

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IV. PERSONAL UMBRELLA LIABILITY RATES (CON'T.)

Note:

- The total horsepower equals the horsepower of all engines combined.
- The total length is the length of the watercraft in feet.

EXCESS LAYER FACTORS and LAYER MINIMUM PREMIUMS

For Personal Umbrella policies with a limit greater than \$1 million, the premium is multiplied by the appropriate Excess Layer Factor subject to the corresponding layer minimum premium. These results are added together to obtain the total policy premium.

<u>Layer</u>	<u>Excess Layer Factor</u>	<u>Layer Minimum Premium</u>
	<u>Terr. 1</u>	<u>Terr. 1</u>
First Million	----	\$125
Second Million	0.69	\$125
Third Million	0.75	\$125
Fourth Million	0.73	\$125
Fifth Million	0.76	\$125

UNINSURED/UNDERINSURED MOTORISTS COVERAGE

This is only valid on existing business currently have the coverage only.

- | | |
|--|------|
| • \$1,000,000 -- each vehicle | \$45 |
| • \$500,000 -- each vehicle | \$40 |
| • \$300,000 -- each vehicle | \$35 |
| • Over \$1,000,000 -- each million -- each vehicle | \$45 |

V. RATING STEPS

**Rating Example – Territory I
1 Million**

Rating Steps					
A.	Standard Vehicle Premium based on \$500,000 Underlying BI Limits	=	\$35	x	1 = \$35
B.	Antique/Classic Premium	=	\$25	x	1 = \$60
C.	Youthful Principal Operator Premium	=	\$50	x	1 = \$110
D.	Youthful Part-time Operator Premium	=	\$40	x	1 = \$150
E.	Personal Liability Premium	=	\$63		= \$213
F.	Number of Farms Premium	=	\$14	x	1 = \$227
G.	Additional Rental Premium	=	\$8	x	1 = \$235
H.	Home Day Care Premium	=	\$35		= \$270
I.	Incidental Office Premium	=	\$8	x	1 = \$278
J.	Business Pursuits/Teacher's Liability – Corporal Punishment Premium	=	\$10	x	1 = \$288
K.	Home Based Premium	=	\$81		= \$369
L.	Loss Assessment Premium	=	\$11		= \$380
M.	Watercraft Liability Total Premium	=	\$74		= \$454
N.	Assisted Living Care Premium	=	\$5		= \$459
	= 1st Million Premium (\$125)				= \$459

Note: 1st Million Premium subject to dollar minimum

**ARKANSAS
PERSONAL UMBRELLA LIABILITY MANUAL**

V. RATING STEPS (continued)

Rating Example – Territory I

Additional Excess Layers

= 1st Million Premium

Note: 1st Million Premium subject to dollar minimum \$459

2nd Million Premium

1st Million Premium x 2nd Million Excess Layer Factor (Round to whole dollar) **= 2nd Million Premium**

Example:	2nd Million Premium	=	\$459	x	0.69	=	\$317
	1st Million Premium						+
	Total Premium						= \$776

Note: 2nd Million Premium subject to dollar minimum

3rd Million Premium

2nd Million Premium x 3rd Million Excess Layer Factor (Round to whole dollar) **= 3rd Million Premium**

Example:	3rd Million Premium	=	\$317	x	0.75	=	\$238
	2nd Million Premium						+
	1st Million Premium						+
	Total Premium						= \$1,014

Note: 3rd Million Premium subject to dollar minimum

4th Million Premium

3rd Million Premium x 4th Million Excess Layer Factor (Round to whole dollar) **= 4th Million Premium**

Example:	4th Million Premium	=	\$238	x	0.73	=	\$174
	3rd Million Premium						+
	2nd Million Premium						+
	1st Million Premium						+
	Total Premium						= \$1,188

Note: 4th Million Premium subject to dollar minimum

5th Million Premium

4th Million Premium x 5th Million Excess Layer Factor (Round to whole dollar) **= 5th Million Premium**

Example:	5th Million Premium	=	\$174	x	0.76	=	\$132
	4th Million Premium						+
	3rd Million Premium						+
	2nd Million Premium						+
	1st Million Premium						+
	Total Premium						= \$1,320

Note: 5th Million Premium subject to dollar minimum

**ARKANSAS
PERSONAL UMBRELLA LIABILITY MANUAL**

V. RATING STEPS (continued)

Rating Example for Watercraft greater than 350 horsepower – Territory I, underlying limits of \$500,000, other than sailboat.

(Total Horsepower ÷ by Total Length) x (Base Price) x Watercraft Territory Factors

Example:

$$\begin{aligned} & (400 \text{ horsepower} + 30 \text{ feet}) \times \$6.75 \times 1.25 = \text{Premium} \\ & 13.333 \times \$6.75 \text{ (round to the near whole dollar)} \times 1.25 = \\ & \text{(round to the near whole dollar) } \mathbf{Premium = \$113} \end{aligned}$$

SERFF Tracking Number: STAT-125721913 State: Arkansas
 Filing Company: State Auto Property and Casualty Insurance State Tracking Number: EFT \$25
 Company
 Company Tracking Number: PC-PX-2008-262
 TOI: 17.2 Other Liability - Occurrence Only Sub-TOI: 17.2021 Personal Umbrella & Excess
 Product Name: Arkansas Umbrella
 Project Name/Number: Rules eff 12-30-08/PC-PX-2008-262

Supporting Document Schedules

Review Status:
Bypassed -Name: Uniform Transmittal Document- 07/03/2008
 Property & Casualty
Bypass Reason: N/A
Comments:

Review Status:
Bypassed -Name: NAIC Loss Cost Filing Document 07/03/2008
 for OTHER than Workers' Comp
Bypass Reason: N/A
Comments:

Review Status:
Bypassed -Name: NAIC loss cost data entry document 07/03/2008
Bypass Reason: N/A
Comments:

Review Status:
Satisfied -Name: Summary of Proposed Changes Filed 08/04/2008
Comments:
Attachment:
 AR PX Summary of Proposed Changes.pdf

Summary of Proposed Changes
Arkansas - Personal Umbrella Program
State Auto Property & Casualty Insurance Company
Page 1 of 1

1) Payment plans:

We are adding a payment option chart with Full Pay, Monthly, Two Pay and Four Pay options. We are also adding a timing considerations section.

2) Miscellaneous Rule Changes:

We are revising our manual as outlined in the following table:

Rule Name and Description of Change	New Rule # and New Page #	Old Rule # and Old Page #
Table of Contents-Adjusted Rules and Page numbers to reflect changes.		
Policy Term/Payment Options added policy term chart and timing considerations wording, also revised credit card payment option wording for clarification purposes. Additions caused text to shift for remaining rules.	Rule I, Page 1	Rule I, Page 1
Binding Authority, revised the application deadline from five days before the effective date to four.	Rule I, Page 2	Rule I, Page 2

SERFF Tracking Number: STAT-125721913 State: Arkansas
 Filing Company: State Auto Property and Casualty Insurance State Tracking Number: EFT \$25
 Company
 Company Tracking Number: PC-PX-2008-262
 TOI: 17.2 Other Liability - Occurrence Only Sub-TOI: 17.2021 Personal Umbrella & Excess
 Product Name: Arkansas Umbrella
 Project Name/Number: Rules eff 12-30-08/PC-PX-2008-262

Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
07/07/2008	Rate and Rule	Revised Manual	08/04/2008	AR PIM Manual eff 12-30-08 revised pages with pay plan change.pdf
No original date	Rate and Rule	Revised Manual	07/07/2008	AR PX Manual eff 12-30-08.pdf

ARKANSAS PERSONAL INLAND MARINE MANUAL

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ARKANSAS PERSONAL INLAND MARINE MANUAL

1. UNDERWRITING REQUIREMENTS

- A. Property must be insured to 100% of current market value. It is the insured's responsibility to establish the current market value of the property to substantiate the amount of insurance. However, because values are often difficult to establish, every effort should be made to assist the insured in determining the insurable value of the property to be covered.
- B. A complete detailed description of the items to be insured is required in addition to evidence of valuation. Refer to personal property classes and rates section.
 - 1. For jewelry, furs, fine arts, antiques and various types of collections, detailed appraisals are required.
 - 2. The amount of insurance written under a previous policy is not satisfactory evidence of value.
 - 3. For all other items, a bill of sale from an established store is acceptable as satisfactory evidence of value, if the sale was made within the past three years. If a current bill of sale is not available or an appraisal is not required, a complete detailed description of the items to be insured is required.
 - 4. Photographs of insured property are desirable, especially with valuable and intricate items.
- C. We do not insure unset diamonds or gold or silver bullion.
- D. Property used for business purposes or held for sale must be submitted for review prior to binding.
- E. The policy must be written in the name of the individual owner(s). Property titled in the name of a company or corporation is not eligible for coverage.

2. MINIMUM PREMIUM

A single minimum annual policy premium will apply, either \$35.00 or \$50.00, based on the type of property insured. Refer to the rate page in order to determine which minimum premium applies. In the event that two different deductibles could apply, only the \$50.00 deductible will apply.

3. POLICY TERM/PAYMENT OPTION

- A. The policy is written for 12 months. Renewal terms are processed according to the current rates and forms.

Twelve Month Policy Term			
Pay Plan Options	E-Pay Available	Service Charge	Billing Due Dates
Full Pay	Yes	N/A	Full payment due at inception of policy term.
Two Pay	Yes	N/A	50% due at inception with remaining due in 6 months
Four Pay	Yes	\$4 N/A- EFT	25% due at inception with remaining billed in 25% installments each 90 days
☞...Monthly	Yes	\$4 N/A- EFT	1/12 th due at inception with remaining billed in installments every 30 days

ARKANSAS PERSONAL INLAND MARINE MANUAL

3. POLICY TERM/PAYMENT OPTION (continued)

B. Electronic Funds Transfer (“E-Pay”)

An option available to insureds is to have their payment automatically transferred, from their bank account to State Auto electronically. The insured has the option of choosing the date they would like the deduction to take place. The insured will be notified by the company of the initial monthly amount of premium to be transferred, as well as any changes to that amount of one dollar (\$1.00) or more.

This option is available for new and existing business. Once State Auto receives the enrollment form, the insured’s policy will be set up for the electronic funds transfer. This option is not available on premium financed policies.

...C. Customers Can Pay:

- 1) **By Check** – Customers can mail in a check with the invoice billing stub.
- 2) **EFT** – Customers can have an automatic deduction taken from their bank account. Refer to item D.
- 3) Payments can be made any time of the day or night, seven days a week, by **credit** or **debit card** ((Visa or Master Card), or **automated check** (ACH payment), using either of these options:
 - a) **Pay on the Web** at www.stateauto.com – After selecting the option to “Pay Your Policy” customers can make a one-time payment without enrolling in the system or they can enroll in our “Pay Now” program where personal and payment type information is stored to facilitate and expedite future payments.
 - b) **Pay By Phone** using our automated service – just call 1-800-444-9950, extension 5118.

D. Agent “Sweep” / Upload Payments – Agents can collect insured payments in their office, deposit in their bank account, and State Auto “Sweeps” the money out via electronic transaction.

- 1) **New Business** – Agencies may upload insured new business and down payments through AgentSite netXress.
- 2) **Installment Payments** – Agents can “Sweep” insureds installment payments received in their office via State Auto’s AgentSite.

Contact Agency Interface Services at 1-888-999-8103 for more information on “Sweeping”.

...E. Timing Considerations – If the policy is issued 21 days or less before the effective date, the remaining installment payments will be divided accordingly by the number of installments remaining in the term. At renewal, the payment cycle will convert to the valid pay plan that was selected.

F. NSF Charge: A \$20 non-sufficient fund fee will be charged on all returned checks

4. CANCELLATION

- A.** If the policy or form of coverage is canceled or reduced, the return premium is computed pro-rata.
- B.** In the event of cancellation, return premium amounts under \$1.00 will be retained by the company unless requested by the insured.

5. PROCESSING INSTRUCTIONS

- A.** A current application should be secured and submitted to the company for each new risk. The application serves as a combination binder and application. It must be completed in its entirety, indicating coverage desired, and submitted to the company for policy issuance.
- B.** Endorsements will also be issued by the company. A completed Change Request (ACORD 70) provides the information needed to endorse a policy. When indicating “Additional Coverages,” if the added endorsement is a “fill-in,” indicate the information in the remarks section or attach a completed endorsement.

STATE AUTO INSURANCE COMPANIES

ARKANSAS PERSONAL INLAND MARINE MANUAL

6. RATING

All premium calculations in this program are rounded to the nearest dollar. Amounts of fifty cents or more are carried to the next highest dollar amount. Where multiple rating steps are performed, round at the end of each step. **Refer to rate pages to determine base rates for the desired coverage.**

...7. PERSONAL PROPERTY CLASSES

The various forms contained in this manual are designed to cover property acceptable to the State Auto Insurance Companies. Property that does not meet the following guidelines may be considered by submitting a completed application along with an appraisal or an acceptable evaluation document. We require a complete detailed description for all items regardless of value. For jewelry, furs and fine arts, any item(s) valued at \$5,000 or more will require an appraisal dated within the past five years of the effective date the item(s) was added. For other categories of personal property if the value is \$5,000 or more, an appraisal is not required however, a bill of sale and a full description is required. Refer to the policy form for complete and specific information regarding coverages.

A. PERSONAL ARTICLES

...Form **IM-175** provides open peril coverage for physical loss or damage, with a few exceptions and is used with policy jacket **FI-102** to cover the classes of personal property shown below.

- | | |
|-----------------------|---------------------------|
| 1. Bicycles | 6. Jewelry |
| 2. Coin Collections | 7. Musical Instruments |
| 3. Fine Arts | 8. Photographic Equipment |
| 4. Furs | 9. Silverware |
| 5. Golfers' Equipment | 10. Stamp Collections |

1. Bicycles IM-175

Coverage available for property owned by individuals and family members residing in the insured's household. Covers bicycles within the continental limits of the United States and Canada.

...2. Coin Collections IM-175

Covers rare and current coins, medals, paper money, bank notes, tokens of money and other numismatic property, including coin albums, containers, frames, cards and display cabinets in use with such collections. The policy provides worldwide coverage.

...3. Fine Arts IM-175

Covers fine arts and antiques, such as paintings, etchings, pictures, tapestries, art-glass windows, and other bonafide works of art (such as valuable rugs, statuary, marbles, bronzes, antique furniture, books, antique silver, manuscripts, porcelains, glass and bric-a-brac) of rarity, historical value or artistic merit, within the continental United States and Canada. Coverage on premises of fair grounds or any national or international exposition is not provided. Any single item to be insured for more than \$5,000 or any schedule of items to be insured for more than \$20,000 must be accompanied by an acceptable appraisal, dated within the past five years. A previous policy with another company is not satisfactory evidence of value. Do not bind coverage on any one item valued at \$15,000 or more or a schedule of items totaling \$50,000 or more without prior approval by the Company.

Breakage Rates -- The exclusion relating to breakage of fragile articles may be deleted for an additional premium computed at the rate applied to the aggregate value of articles given such protection. Use endorsement **IM-664-2** in addition to **IM-175**.

...4. Furs IM-175

Covers fur garments and garments trimmed with fur, anywhere in the world. This does NOT include artificial "furs" of man-made fabrics. Any single item to be insured for more than \$5,000 must be accompanied by an acceptable appraisal, dated within the past five years. Do not write or bind coverage on any one item valued at \$15,000 or more without prior approval by the company.

**ARKANSAS
PERSONAL INLAND MARINE MANUAL**

7. PERSONAL PROPERTY CLASSES (continued)

5. Golfers' Equipment IM-175

Covers golf clubs, golf clothing, golf equipment and self-propelled pull carts. The form covers such property anywhere in the world and also covers other clothing of the insured while contained in any locker situated in a clubhouse or other building used in connection with the game of golf.

6. Jewelry IM-175

Covers personal jewelry anywhere in the world. Jewelry is defined as articles of personal adornment made from precious and semi-precious metals, with or without gems or semi precious stones. Silverware, plated ware, and pewter are NOT considered to be jewelry. In addition, we do not insure unset gemstones.

Jewelry in vaults: Specific items of scheduled jewelry which are kept in a vault in a bank may be insured at a rate of \$5.20 per \$1,000 of insurance per year. The company must be notified in advance of removal from the vault and a short rate additional premium is charged for the period the jewelry is not vaulted. Use **IM-175-4** in addition to **IM-175**.

•...Appraisals, dated within the past five years, are required for each item of jewelry valued at more than \$2,500. A complete description -- including color, clarity, cut and carat weight along with the type of mounting (gold, silver, platinum) and its weight -- is needed in order to identify covered property. A

previous policy with another company is not satisfactory evidence of value. Do not bind coverage on any one item valued at \$15,000 or more or a schedule of items totaling \$50,000 or more without prior approval by the Company.

7. Musical Instruments IM-175

- Non-Professional use **IM-175**
- Professional use **IM-175** with **IM-175-6**

Covers musical instruments without restriction as to location.

8. Photographic Equipment IM-175

Covers cameras, camcorders/VCR cameras, projection machines and articles of equipment pertaining thereto, movable sound equipment pertaining to the recording, projection, reproduction and operation of motion pictures, and property such as films, binoculars, telescopes and microscopes which may be used in conjunction with photographic equipment. We do NOT cover television cameras or equipment, coin or token-operated devices, or property of dealers or manufacturers, or camera equipment used for business purposes. The coverage is worldwide.

9. Silverware, goldware or pewterware IM-175

Covers silverware, silver-plated ware, goldware, gold-plated ware and pewterware worldwide. We do not insure gold or silver bullion.

Antiques and property having historical value should be insured under a Fine Arts policy. The Silverware Floater is intended to insure property for its current value only. Current manufacturer's price lists are acceptable for establishing values.

10. Stamps IM-175

Covers postage stamps, including postage due, envelope, official, revenue, match and medicine stamps, covers, locals, reprints, essays, proof and other philatelic property including the books, pages and mounting thereof. The policy provides worldwide coverage.

ARKANSAS PERSONAL INLAND MARINE MANUAL

8. ADDITIONAL PERSONAL PROPERTY CLASSES

A. CB Radios and Car Telephones

☛...May be covered under an Inland Marine policy with a \$25.00 deductible. Use endorsement **IM-220** for CB radios and **IM-901** Scheduled Property endorsement for car telephones. These endorsements provide open peril coverage for direct physical loss or damage, with certain exclusions.

B. Farm Equipment **IM-850** and **IM-851**

Covers mobile farm equipment and machinery on a blanket or scheduled basis subject to an 80% coinsurance clause. Coverage applies only to property within the limits of the continental United States and Canada. Harvester combines and/or cotton pickers are not eligible on Form IM851.

☛...C. Guns **IM-211** and **IM-212**

Covers guns, equipment and accessories used with guns. Each item must be scheduled showing a separate limit of liability. The description of the gun or accessory should include the name of the manufacturer, the cost, date of purchase and the serial or other identifying number. The value of a given firearm depends on its condition and should follow the guidelines set out by the National Rifle Association to determine value.

These endorsements provide open peril coverage for direct physical loss or damage, with certain exclusions, within the continental United States and Canada.

☛...D. Hearing Aids **IM-901**

Provides open peril coverage for direct physical loss or damage, with certain exclusions, within the limits of the continental United States and Canada. The description of the hearing aid should include the name of manufacturer, cost, date of purchase and serial or other identifying number.

E. Livestock **IM-860**, **IM-861**, **IM-860-5**

Covers livestock of the type usual for farming and personal riding purposes, and also cattle used for breeding and show purposes. Our company insures such property only within the continental United States and Canada.

IM-861 provides blanket coverage which may be divided according to age, use type or otherwise.

IM-860 requires scheduling either by individual animal or by type with a limit of liability applying to each animal. **IM-861** is subject to 80% coinsurance.

Optional Perils - Livestock **IM-860-5**

At the specified additional rate on the entire policy amount, the coverage may be extended to cover the following hazards: accidental shooting, except by the insured or his employees, drowning, artificial electricity, attack by dogs or wild animals, collapse of buildings, and malicious mischief.

**ARKANSAS
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8. ADDITIONAL PERSONAL PROPERTY CLASSES (Continued)

F. Miscellaneous Bric-A-Brac IM-901, IM-902, IM-903, IM-904

There are cases when coverage is requested for property for which a specific form is not available. There are two alternatives available to provide coverage for those risks that meet our underwriting requirements:

1. Scheduled Property Form All - Risk **IM-901** or Named Peril **IM-902**. Each item must be scheduled including a complete description and value.
2. Miscellaneous Property Form All - Risk **IM-903** or Named Peril **IM-904** provides coverage on a blanket basis.

Covers various types of collections such as baseball cards, dolls (cloth or ceramic), beer cans, comic books, magazines, cigarette lighters, etc. A valid appraisal or some other reliable evidence of value must accompany the application for insuring each item. Coverage applies while the property is in the continental United States, Canada or Puerto Rico.

G. Personal Effects IM-176

This policy provides open peril coverage for direct physical loss or damage to the insured property except as excluded. The policy covers personal effects that are usually carried by tourists and travelers while outside of the insured's domicile, anywhere in the world.

H. Sports Equipment IM-901

Provides open peril coverage for direct physical loss or damage, with certain exclusions within the limits of the continental United States and Canada. The description of the sporting equipment should include the name of the manufacturer, cost, date of purchase, model number, serial number and/or other identification numbers.

I. Tools IM-459

Portable tools, hand tools, and similar items not used for business purposes, are eligible for coverage under a Personal Inland Marine Policy. For tools used in a business or profession, refer to Commercial Lines Underwriting.

J. Trip Transit IM-412

A Trip Transit policy is written to cover property that is being transported on an individual trip, such as a load of furniture en route to a new residence. While the homeowners policy usually only provides broad named perils coverage to property being moved, a homeowner who is moving to a new location may need a Trip Transit policy for open peril coverage due to direct physical damage or loss with certain exclusions during the move. Territorial limits are set according to the trip covered. If the insured uses his/her own vehicle, or a leased or rental vehicle where no other insurance exists, add 50% to the applicable rate.

K. Wedding Presents IM-282

The Wedding Presents form provides temporary open peril coverage for direct physical damage or loss, with certain exceptions for wedding gifts. The wedding date must be shown on the form, as coverage automatically expires 90 days after the wedding date.

L. Personal Home Computers - Refer to Homeowners Manual HO-314

Mini-Computers, Micro Computers, Media and Data necessary for the operation of the equipment such as tapes, discs, drums, cards or other materials on which data is recorded, may be insured under the homeowners program. The endorsement provides open peril coverage for direct physical damage or loss, except as excluded.

**ARKANSAS
PERSONAL UMBRELLA
PROGRAM**

**ARKANSAS
PERSONAL UMBRELLA LIABILITY MANUAL**

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ARKANSAS PERSONAL UMBRELLA LIABILITY MANUAL

I. GENERAL RULES

A. POLICY

Personal Umbrella coverage may only be written on a separate Personal Umbrella policy.

B. APPLICATION

A current ACORD application must be completed and submitted to the company for each new business submission.

C. POLICY PERIOD

The policy period for all Personal Umbrella policies is a one - year renewable term.

D. PAYMENT OPTION

1.

Twelve Month Policy Term			
Pay Plan Options	E-Pay Available	Service Charge	Billing Due Dates
Full Pay	Yes	N/A	Full payment due at inception of policy term.
Two Pay	Yes	N/A	50% due at inception with remaining due in 6 months
Four Pay	Yes	\$4 N/A- EFT	25% due at inception with remaining billed in 25% installments each 90 days
Monthly	Yes	\$4 N/A- EFT	1/12 th due at inception with remaining billed in installments every 30 days

2. Electronic Funds Transfer (“E-Pay”)

An option available to insureds is to have their payment automatically transferred, from their bank account to State Auto electronically. The insured has the option of choosing the date they would like the deduction to take place. The insured will be notified by the company of the initial amount of premium to be transferred, as well as any changes to that amount of one dollar (\$1.00) or more.

This option is available for new and existing business. Once State Auto receives the enrollment form, the insured’s policy will be set up for the electronic funds transfer. This option is not available on premium financed policies.

3. Customers Can Pay Online / Credit Card Payments.

Direct bill customers can now use their credit card to make a down payment when taking out a new policy with State Auto. Agents can access the Credit Card Payment Agreement New Business Cash With Application Only Form (CG 874) via AgentSite. The form must be completed and faxed to the number provided on the form. Additionally, direct bill customers can make regular premium payments online at www.stateauto.com. After selecting the option to “Pay Your Policy” customers can make a one-time payment without enrolling in the system or they can enroll in our “Pay Now” program where personal and payment type information is stored to facilitate and expedite future payments. Whether direct bill customers are making a one-time online payment or are enrolled in our “Pay Now” program, they can opt to pay through use of an automated check (ACH payment) or can make payment using a VISA™ or MasterCard™ credit or “pin-less” debit card.

4. Timing Considerations –

If the policy is issued 21 days or less before the effective date, the remaining installment payments will be divided accordingly by the number of installments remaining in the term. At renewal, the payment cycle will convert to the valid pay plan that was selected.

5. NSF Charge: A \$20 non-sufficient fund fee will be charged on all returned checks

**ARKANSAS
PERSONAL UMBRELLA LIABILITY MANUAL**

I. GENERAL RULES (continued)

E. LIMITS OF LIABILITY

Personal Umbrella coverage may be provided with the following limits of liability:

\$1,000,000
\$2,000,000
\$3,000,000
\$4,000,000
\$5,000,000

F. POLICY CHANGES

Additional and return premium for policy changes occurring during the current policy term will be computed on a pro-rata basis. When a change is submitted for underlying policies, a change request should also be submitted for the Personal Umbrella policy.

G. POLICY CANCELLATION

If insurance is canceled or reduced at the request of either the insured or the insurer, the earned premium will be computed on a pro-rata basis.

H. MINIMUM RETAINED PREMIUM

In the event of cancellation, return premium amounts under \$1.00 will be retained by the company unless specifically requested by the insured.

I. BINDING AUTHORITY

1. A policy may be bound by the agent at the \$1,000,000 limit subject to the following:

- a. The signed application is received at State Auto within four business days of the requested effective date.
- b. No losses have occurred.

2. Do **not** bind without prior company approval:

- a. Any risk with an excluded driver or excluded liability exposure on any underlying policy.
- b. Risks with no licensed drivers and/or no vehicles.
- c. Risks with more than six rental units.
- d. Policy in the name of a trust.
- e. Risk with underlying insurance currently with another company.
- f. Risks with youthful exposures operating sports or high performance vehicles or recreational vehicles.
- g. Occupation of any insured is a professional politician; public lecturer; newspaper reporter, editor or publisher; labor leader; professional entertainer including athlete and radio or TV announcer; law enforcement official.
- h. Any person sued for libel or slander.
- i. Risk with watercraft with a maximum speed exceeding 45 mph and all personal watercraft.
- j. Any risk covering Uninsured/Underinsured Motorists Coverage at a limit above \$1,000,000.
- k. Driving record does not meet the eligibility requirements below.
- l. All personal watercraft.
- m. Bass boats with a maximum speed exceeding 70 MPH and all other watercraft with a maximum speed exceeding 55 MPH.

3. Limits above the \$1,000,000 limit may not be bound by the agent.

ARKANSAS PERSONAL UMBRELLA LIABILITY MANUAL

II. ELIGIBILITY

A. AUTOMOBILE LIABILITY

State Auto will consider writing Personal Umbrella Liability coverage when the State Auto Companies provide the primary liability insurance on all underlying policies. Risks eligible for our standard personal lines programs will normally be acceptable for Personal Umbrella liability coverage, but must meet the following driving record requirements:

1. **Major Violations (past 5 years) –**
None Allowed.
2. **Minor Violations (past 3 years) –**
Adults: Two Allowed
Drivers Age 21-24: One Allowed
Drivers Age 16-20: None Allowed
3. **At-Fault Accidents (past 3 years) –**
Adults: One Allowed
Drivers Age 21-24: One Allowed
Drivers Age 16-20: None Allowed

Underlying Coverages

1. Underlying liability insurance must be written with the State Auto Companies at the minimum required limits for all automobiles and self-propelled recreational vehicles owned by, leased to, or furnished for the regular use of the named insured and all operators in the insured's household.
2. An Extended Non-Owned Coverage endorsement must be attached to the personal auto policy to cover each operator in the household who may operate a furnished vehicle in addition to one or more owned vehicles.
3. A Named Non-Owner policy must be written if the insureds do not own a car but have a car furnished for their regular use. Coverage must be provided for all operators in the household.
4. If the underlying insurance is subject to any restriction, limitation or exclusion for any operator in the household, such a restrictive endorsement must also be attached to the Personal Umbrella policy.
5. Excess Uninsured/Underinsured Motorists Coverage is only valid on existing policies currently containing UM/UIM coverage and with an original inception date of October 1, 1995 or before.

B. PERSONAL LIABILITY COVERAGE

Personal Liability coverage must be written with the State Auto Companies at the minimum required limits for all residences and locations owned by, leased to, or rented by the insured.

1. a. Business Exposures

Coverage under the Personal Umbrella for additional liability exposures such as incidental offices, home day care, business pursuits, and rental or farm property may be written if the underlying liability is considered acceptable based on Personal Lines Guidelines.

b. Home-Based Business

Extends coverage to Home-Based Business if provided under the primary policy. This is basically a following form coverage but provides drop - down for auto exposure.

**ARKANSAS
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II. ELIGIBILITY (continued)

2. Loss Assessment Coverage

Loss Assessment is excluded under the basic umbrella contract. However, optional loss assessment for liability coverage can be secured by adding endorsement PX-55. This form provides excess loss assessment coverage above the required underlying limit of \$50,000.

Note: This endorsement provides excess loss assessment coverage to liability losses.

3. Assisted Living Care Liability Coverage

a. Description of Coverage

1. This endorsement provides excess personal liability coverage to a designated person other than the named insured or a resident relative who is:
 - a. Related to another insured by blood, marriage or adoption;
 - b. Not a member of the named insured's household; and
 - c. Regularly residing in a designated assisted living care facility
2. An assisted living care facility that provides living services such as dining, therapy, medical supervision, housekeeping and social activities.

b. Ineligible Facilities

The following facilities are ineligible:

- a. Hospices
- b. Prisons; and
- c. Rehabilitation Facilities

Use Personal Umbrella Liability Policy Assisted Care Liability Coverage Endorsement **DL 98 07**

C. WATERCRAFT LIABILITY

Coverage for all owned watercraft must be written on a State Auto pleasure boat or yacht policy, or endorsed on a State Auto homeowners policy. Minimum required underlying limits and rates depend on the horsepower, length and type of watercraft. Bass boats with a maximum speed exceeding 70 mph and all other watercraft with a maximum speed exceeding 55 mph require prior approval before binding. All personal watercraft (jet skis, wet bikes and waverunners, mini-jet boats, etc) require prior approval before binding. The premium on watercraft with a speed exceeding 45 mph will be double the standard rate.

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III. MINIMUM REQUIRED UNDERLYING LIABILITY LIMITS

AUTOMOBILE LIABILITY	\$300,000 Combined Single Limit or \$250,000/500,000 Bodily Injury and \$100,000 Property Damage
AUTOMOBILE LIABILITY – Inexperienced Operators New business or added drivers effective July, 2003	\$500,000 Combined Single Limit or \$500,000/500,000 Bodily Injury and \$100,000 Property Damage
UNINSURED/UNDERINSURED MOTORISTS (valid on existing business currently with UM coverage.)	Must be equal to the minimum underlying auto liability limits if excess UM/UIM coverage is requested.
PERSONAL LIABILITY	\$300,000 Combined Single Limit
LOSS ASSESSMENT COVERAGE	\$50,000 Combined Single Limit
BUSINESS PURSUITS	\$300,000 Combined Single Limit
HOME DAY CARE LIABILITY	\$500,000 Combined Single Limit
OFFICE OR BUSINESS PROPERTY LIABILITY	\$300,000 Combined Single Limit
EMPLOYERS LIABILITY	\$100,000 Bodily Injury each accident \$100,000 Bodily Injury by disease -- each employee \$500,000 Bodily Injury by disease -- policy aggregate
FARMOWNERS LIABILITY	\$300,000 Combined Single Limit
WATERCRAFT - <ul style="list-style-type: none">• less than or equal to 350 horsepower• over 350 horsepower• personal watercraft	\$300,000 Combined Single Limit \$500,000 Combined Single Limit \$500,000 Combined Single Limit
PASSENGER HAZARD LIABILITY underlying (MOTOR VEHICLE)	Must be equal to the minimum auto liability limits if excess Passenger Hazard Liability coverage is provided

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IV. PERSONAL UMBRELLA LIABILITY RATES

TERRITORY 1: All Counties

VEHICLES

	<u>TERRITORY 1</u>	
	\$250/500 \$300 CSL	\$500/500 \$500 CSL
• Vehicles owned by, leased, to or furnished for the regular use of applicant, spouse and household relatives, including automobiles and self-propelled recreational vehicles, except antique and classic cars -- each vehicle.	\$58	\$35
• Antique and classic cars – each vehicle	\$25	25

OPERATORS

• Inexperienced principal operators -- each operator	\$55	\$50
• Inexperienced part-time operators -- each operator (Inexperienced operators are operators with less than 9 years licensed driving experience within the United States.)	\$45	\$40

PERSONAL LIABILITY	\$63	\$63
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BASIC CHARGE INCLUDES:

- All owner-occupied residences
- One incidental, owner-occupied office
- Sailboats and outboard watercraft under 26 feet **and** 75 horsepower or less
- Golf carts
- Recreational vehicles on premises only
- Up to four (4) family rental units

ADDITIONAL CHARGES:

-- If applicant is engaged in farming	\$14	\$14
-- Insured-owned farm or farm acreage operated by others	\$ 8	\$ 8
-- Each additional family rental unit -- not more than six (6) additional units	\$ 8	\$ 8
-- Home Day Care coverage	\$35	\$35
-- Each additional incidental office	\$ 8	\$ 8
-- Business Pursuits / Teachers' liability – corporal punishment - each	\$10	\$10
-- Home Based Business Exposure	\$81	\$81
-- Loss Assessment	\$11	\$11
-- Assisted Living Care Liability – Each designated person in assisted living facility	\$5	\$5

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IV. PERSONAL UMBRELLA LIABILITY RATES (CON'T.)

WATERCRAFT LIABILITY

		<u>TERRITORY 1</u>	
		\$250/500	\$500/500
		\$300 CSL	\$300 CSL

- WATERCRAFT 0-350 HORSEPOWER – Sailboats and Outboard watercraft 26 feet and over in length or over 75 horsepower.

- All inboard and inboard/outdrive watercraft

0 - 50 horsepower*	\$27	\$27
51 - 100 horsepower	\$34	\$34
101 - 150 horsepower	\$40	\$40
151 - 200 horsepower	\$52	\$52
201 - 250 horsepower	\$56	\$56
251 - 300 horsepower	\$64	\$64
301 - 350 horsepower	\$75	\$75

* Does not apply to Outboards

- **Personal Watercraft – each watercraft**

\$74

- WATERCRAFT GREATER THAN 350 HORSEPOWER - All watercraft (excluding personal watercraft) – each watercraft

(Total Horsepower ÷ Total Length) x (Base Price) x Watercraft Territory Factors

Base Price

Sailboat	Underlying Liability Limits of \$500,000	\$4.00
	Underlying Liability Limits of \$1,000,000	\$2.75
Other than Sailboat	Underlying Liability Limits of \$500,000	\$6.75
	Underlying Liability Limits of \$1,000,000	\$5.50

<u>Territory</u>	<u>Description</u>	<u>Factors</u>
I	Waters of the Great Lakes	1.25
II	Inland Waters of the U.S. (excluding the Great Lakes, Ohio and Mississippi Rivers)	1.00
III	Atlantic and Gulf Coastal Waters (including the inland water tributaries) – within 12 statute miles of the coastline	1.50
IV	Ohio and Mississippi Rivers	1.25
V	Chesapeake Bay and its inland tributaries	1.50

Note: Please include all territories in which the watercraft is navigated. The declarations page must reflect the territory or territories in which the craft is operated. Also, when two or more navigational territories apply, the highest rated territory will be used for rating.

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IV. PERSONAL UMBRELLA LIABILITY RATES (CON'T.)

Note:

- The total horsepower equals the horsepower of all engines combined.
- The total length is the length of the watercraft in feet.

EXCESS LAYER FACTORS and LAYER MINIMUM PREMIUMS

For Personal Umbrella policies with a limit greater than \$1 million, the premium is multiplied by the appropriate Excess Layer Factor subject to the corresponding layer minimum premium. These results are added together to obtain the total policy premium.

<u>Layer</u>	<u>Excess Layer Factor</u>	<u>Layer Minimum Premium</u>
	<u>Terr. 1</u>	<u>Terr. 1</u>
First Million	----	\$125
Second Million	0.69	\$125
Third Million	0.75	\$125
Fourth Million	0.73	\$125
Fifth Million	0.76	\$125

UNINSURED/UNDERINSURED MOTORISTS COVERAGE

This is only valid on existing business currently have the coverage only.

- | | |
|--|------|
| • \$1,000,000 -- each vehicle | \$45 |
| • \$500,000 -- each vehicle | \$40 |
| • \$300,000 -- each vehicle | \$35 |
| • Over \$1,000,000 -- each million -- each vehicle | \$45 |

V. RATING STEPS

**Rating Example – Territory I
1 Million**

Rating Steps					
A.	Standard Vehicle Premium based on \$500,000 Underlying BI Limits	=	\$35	x	1 = \$35
B.	Antique/Classic Premium	=	\$25	x	1 = \$60
C.	Youthful Principal Operator Premium	=	\$50	x	1 = \$110
D.	Youthful Part-time Operator Premium	=	\$40	x	1 = \$150
E.	Personal Liability Premium	=	\$63		= \$213
F.	Number of Farms Premium	=	\$14	x	1 = \$227
G.	Additional Rental Premium	=	\$8	x	1 = \$235
H.	Home Day Care Premium	=	\$35		= \$270
I.	Incidental Office Premium	=	\$8	x	1 = \$278
J.	Business Pursuits/Teacher's Liability – Corporal Punishment Premium	=	\$10	x	1 = \$288
K.	Home Based Premium	=	\$81		= \$369
L.	Loss Assessment Premium	=	\$11		= \$380
M.	Watercraft Liability Total Premium	=	\$74		= \$454
N.	Assisted Living Care Premium	=	\$5		= \$459
	= 1st Million Premium (\$125)				= \$459

Note: 1st Million Premium subject to dollar minimum

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V. RATING STEPS (continued)

Rating Example – Territory I

Additional Excess Layers

= 1st Million Premium

Note: 1st Million Premium subject to dollar minimum \$459

2nd Million Premium

1st Million Premium x 2nd Million Excess Layer Factor (Round to whole dollar) **= 2nd Million Premium**

Example:	2nd Million Premium	=	\$459	x	0.69	=	\$317	
	1st Million Premium						+	\$459
	Total Premium						=	\$776

Note: 2nd Million Premium subject to dollar minimum

3rd Million Premium

2nd Million Premium x 3rd Million Excess Layer Factor (Round to whole dollar) **= 3rd Million Premium**

Example:	3rd Million Premium	=	\$317	x	0.75	=	\$238	
	2nd Million Premium						+	\$317
	1st Million Premium						+	\$459
	Total Premium						=	\$1,014

Note: 3rd Million Premium subject to dollar minimum

4th Million Premium

3rd Million Premium x 4th Million Excess Layer Factor (Round to whole dollar) **= 4th Million Premium**

Example:	4th Million Premium	=	\$238	x	0.73	=	\$174	
	3rd Million Premium						+	\$238
	2nd Million Premium						+	\$317
	1st Million Premium						+	\$459
	Total Premium						=	\$1,188

Note: 4th Million Premium subject to dollar minimum

5th Million Premium

4th Million Premium x 5th Million Excess Layer Factor (Round to whole dollar) **= 5th Million Premium**

Example:	5th Million Premium	=	\$174	x	0.76	=	\$132	
	4th Million Premium						+	\$174
	3rd Million Premium						+	\$238
	2nd Million Premium						+	\$317
	1st Million Premium						+	\$459
	Total Premium						=	\$1,320

Note: 5th Million Premium subject to dollar minimum

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V. RATING STEPS (continued)

Rating Example for Watercraft greater than 350 horsepower – Territory I, underlying limits of \$500,000, other than sailboat.

(Total Horsepower ÷ by Total Length) x (Base Price) x Watercraft Territory Factors

Example: (400 horsepower + 30 feet) x \$6.75 x 1.25 = Premium
13.333 x \$6.75 (round to the near whole dollar) x 1.25 =
(round to the near whole dollar) **Premium = \$113**